

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-01 OMB-01 CEA-01 L-02 H-02 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 PM-03 DODE-00 PA-01 USIA-06 PRS-01 INT-05 IO-10

AGR-05 FEAE-00 OES-03 SAM-01 /108 W

----- 013376

R 121426Z MAR 75

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC 7498

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY GEORGETOWN

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E.O. 11652: N/A

TAGS: ELAB ENRG PINT TD

SUBJECT: DEVELOPMENTS IN OIL AND SUGAR LABOR NEGOTIATIONS

REF: POS 476

BEGIN SUMMARY: THE LABOR PROBLEMS IN TRINIDAD'S TROUBLED OIL AND SUGAR SECTORS HAVE GROWN MORE SERIOUS AND HAVE INCREASED EXPECTATIONS THAT ADDITIONAL CONFRONTATIONS WILL TAKE PLACE BEFORE THESE PROBLEMS ARE RESOLVED. THE COUNTRY'S ENTIRE SUGAR INDUSTRY HAS BEEN CLOSED DOWN AS THE RESULT OF THE LABOR PROBLEMS WHICH HAVE PLAGUED THE INDUSTRY SINCE THE BEGINNING OF THE 1975 CROP AND SUGAR WORKERS ARE NOW THREATENING TO MARCH ON PORT OF SPAIN TO PRESENT THEIR CASE TO THE PRIME MINISTER. IN OIL, THE STALEMATED TEXACO LABOR CONTRACT NEGOTIATIONS HAVE BEEN REFERRED TO THE INDUSTRIAL COURT FOR A DECISION AFTER EFFORTS BY THE MINISTER OF LABOR TO MEDIATE PROVED  
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UNSUCCESSFUL. END SUMMARY.

1. CARONI LTD., WHICH MANUFACTURES ABOUT 90 PERCENT OF THE SUGAR PRODUCED IN TRINIDAD, CLOSED DOWN ITS THREE OPERATING FACTORIES ON MARCH 8 AND SAID IT WOULD NOT RESUME OPERATIONS UNTIL IT RECEIVED ASSURANCES FROM THE ALL TRINIDAD SUGAR WORKERS UNION AND ITS VARIOUS STAFF ASSOCIATIONS THAT THERE WOULD BE NO MORE WORK STOPPAGES FOR THE REST OF THE 1975 CROP. THE COMPANY, IN WHICH THE GOVERNMENT HAS A 55 PERCENT INTEREST, REACHED THIS DECISION FOLLOWING A WALKOUT BY FACTORY WORKERS IN SUPPORT OF 14 COMPUTER OPERATORS WHO WERE SUSPENDED WITHOUT PAY FOR ONE WEEK AS THE CONSEQUENCE OF A GO-SLOW THEY HAD INSTITUTED IN SUPPORT OF THE UNION'S DEMANDS FOR PROFIT SHARING AND IMPROVED WORKING CONDITIONS. AFTER THE COMPANY CLOSED THE FACTORIES, ALL TRINIDAD PRESIDENT-GENERAL BASDEO PANDAY ACCUSED THE COMPANY OF PROVOKING A CONFRONTATION AND CALLED FOR A MARCH OF SUGAR AND OIL WORKERS FROM SAN FERNANDO IN SOUTH TRINIDAD TO THE PRIME MINISTER'S OFFICE IN PORT OF SPAIN ON MARCH 16 IF ALL OF THE SUGAR AND OIL PROBLEMS WERE NOT RESOLVED BY THAT TIME. MEMBERS OF THE UNION ARE NOW PICKETING THE FACTORIES AND HAVE GIVEN NO INDICATION THAT THEY WILL ACCEDE TO THE COMPANY'S REQUEST.

2. ON MARCH 10 THE WORKERS AT THE TWO SUGAR FACTORIES WHICH HAD NOT PREVIOUSLY BEEN AFFECTED, STATE-OWNED ORANGE GROVE AND PRIVATELY-OWNED FORRES PARK, WALKED OFF THEIR JOBS IN A SYMPATHY STRIKE. THESE STRIKES, COUPLED WITH THE NO-CUT CAMPAIGN OF THE INDEPENDENT CANE FARMERS, HAVE BROUGHT ALL WORK ON THE 1975 SUGAR CROP TO A HALT AND HAVE IDLED MORE THAN 26,000 WORKERS AND FARMERS.

3. IN THE NEGOTIATIONS BETWEEN TEXACO AND THE OILFIELD WORKERS TRADE UNION (OWTU) ON A NEW CONTRACT, LABOR MINISTER HECOR MCCLEAN OFFICIALLY DECLARED THE MATTER AN "UNRESOLVED DISPUTE" ON MARCH 4. THE DECLARATION GAVE THE COMPANY AND THE UNION THE OPTIONS OF DECLARING A LOCK-OUT OR A STRIKE OR JOINTLY REFERRING THE MATTER TO THE INDUSTRIAL COURT WITHIN SEVEN DAYS. AFTER NEITHER PARTY EXERCISED ANY OF ITS OPTIONS UNDER THE LAW, THE MINISTER HIMSELF LIMITED OFFICIAL USE

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REFERRED THE CASE TO THE INDUSTRIAL COURT ON MARCH 11. WHILE THE COURT HAS THE MATTER UNDER CONSIDERATION, A PROCESS EXPECTED TO TAKE AT LEAST SEVERAL WEEKS, BOTH PARTIES ARE FORBIDDEN TO TAKE INDUSTRIAL ACTION AND ARE LEGALLY BOUND TO ACCEPT THE COURT'S DECISION. THE POSSIBILITY STILL EXISTS, HOWEVER, THAT TEXACO AND THE OWTU WILL REACH A SETTLEMENT OUT OF COURT TO AVOID THE DELAYS AND RIGIDITIES INVOLVED IN THE COURT'S PROCEDURES.

ON MARCH 11 THE OWTU ANNOUNCED THAT IT WAS CALLING OUT ALL 16,000 OF ITS MEMBERS FOR AN AFTERNOON "PRAYER MEETING" AT THE UNION'S HEADQUARTERS IN SAN FERNANDO ON MARCH 12. IT WAS NOT CLEAR FROM THE ANNOUNCEMENT HOW LONG THE WORKERS WOULD BE OFF THE JOB OR IF THE ACTION WOULD CONSTITUTE A DEFACTO STRIKE. IN RESPONSE, THE POLICE CANCELLED ALL LEAVE AND TEXACO BEGAN THE 24-HOUR SHUTDOWN OF ITS FLUID CATALYTIC CRACKING UNIT AT THE REFINERY WHICH HAD BEEN ONE OF THE FEW UNITS STILL IN OPERATION.

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THE TEXACO REFINERY, PARTIALLY SHUT DOWN SINCE FEBRUARY 18 AND CRIPPLED BY THE THREE-MONTH-LONG GO-SLOW BY THE UNION, IS STILL OPERATING BUT AT ABOUT 6 PERCENT OF CAPACITY. OWTU PRESIDENT GENERAL GEORGE WEEKES INDICATED AT A RALLY OF THE UNITED LABOR FRONT LAST WEEKEND THAT HE MIGHT BE WILLING TO DROP HIS DEMAND FOR A 147 PERCENT WAGE INCREASE IF TEXACO SUBSTANTIALLY INCREASES ITS PRESENT OFFER OF 30 PERCENT AND INCLUDES PROFIT SHARING FOR THE WORKERS IN THE CONTRACT. THE MINISTER OF LABOR

MET WITH THE UNION ON MARCH 7 AND WITH TEXACO ON MARCH 10 BUT NO PROGRESS WAS REPORTED ALTHOUGH THE COMPANY IS STUDYING A NEW PROPOSAL BY THE UNION FOR RESUMPTION OF THE NEGOTIATIONS.

4. THE TRINIDAD AND TOBAGO LABOUR CONGRESS (TTLC), WHICH INCLUDES ALL OF THE COUNTRY'S IMPORTANT UNIONS WITH THE EXCEPTION OF THE OWTU, MET WITH WEEKES AND OTHER OWTU LEADERS ON MARCH 3 TO HEAR THE UNION'S PLEA FOR HELP.  
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ACCORDING TO SOURCES WITHIN THE TTLC, THE OWTU WAS UNABLE TO JUSTIFY ITS 147 PERCENT DEMAND OR TO EXPLAIN SATISFACTORILY ITS NEGOTIATING STRATEGY TO THE TTLC LEADERS. AFTER OBTAINING ASSURANCES THAT IT WOULD NOT LATER BE BLAMED BY WEEKES FOR FORCING A COMPROMISE UNFAVORABLE TO THE WORKERS, THE TTLC EXECUTIVE AGREED TO STATE THAT THE OWTU HAD A CASE FOR "SUBSTANTIAL INCREASES IN PAY" AND TO APPROACH THE MINISTER OF LABOR IN ORDER TO GET THE NEGOTIATIONS BETWEEN THE COMPANY AND THE UNION RESUMED.

5. COMMENT: DESPITE THE FACT THAT PRIME MINISTER WILLIAMS RETURNED TO TRINIDAD OVER ONE WEEK AGO, THE GOVERNMENT HAS NOT SO FAR TAKEN ANY ACTION OR EVEN STATED A POSITION IN THE TEXACO DISPUTE OTHER THAN THE MINISTER OF LABOR'S SO-FAR UNSUCCESSFUL EFFORTS TO MEDIATE. IN THE PERIOD SINCE THE UNION BEGAN ITS GO-SLOW IN DECEMBER, TEXACO ESTIMATES THAT THE GOTT HAS LOST SOME U.S. \$1.9 MILLION IN UNCOLLECTED THROUGHPUT TAXES. IN ADDITION, OTHER SECTORS OF THE ECONOMY INCLUDING THE PORT, THE ASPHALT REFINING PLANT, AND OTHER INDUSTRIES HAVE BEEN HAMPERED BY THE SLOW-DOWN IN THE PRODUCTION AND DELIVERY OF TEXACO PRODUCTS. IF THE ACTION BY CARONI PRESAGES A NEW, GET-TOUGH GOTT POLICY, SOME PROGRESS MAY BE FORTHCOMING IN THE NEAR FUTURE. AT THIS SAGE IT APPEARS OBVIOUS THAT ONLY SOME SORT OF ACTION BY THE GOVERNMENT WILL RESOLVE A SITUATION IN WHICH POLITICAL ISSUES HAVE BECOME MUCH MORE IMPORTANT THAN THE WAGES AND OTHER BENEFITS OF THE WORKERS.  
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## Message Attributes

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